



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
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CONSUMER PROTECTION DIVISION
1-800-368-8808 or 304-558-8986

Press Release

FOR IMMEDIATE RELEASE

March 3, 2008

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Attorney General McGraw Settles With An Online Advertising Company, USDirectory.com

Attorney General Darrell McGraw announced today that Directory Billing, LLC (doing business as USDirectory.com), has settled with West Virginia and 25 other states. The states alleged that since early 2004, Directory Billing sent businesses and other organizations "live" activation checks in the mail. These checks were made payable to the business or organization for a small amount, usually \$3.50. On the back of the checks, in fine print above the endorsement line, was language stating that by depositing the check, the recipient agreed to purchase advertising from Directory Billing in its on-line yellow pages directory. The fine print also stated that by depositing the check, the recipient authorized Directory Billing to bill the business's telephone bill monthly or automatically debit the business's bank account.

The states' investigation revealed that some recipients of these checks deposited the activation checks without knowing that they were purchasing Directory Billing's on-line advertising services or that they were authorizing Directory Billing to charge the monthly fees. In some cases, the business remained unaware that it was being billed for several months, or longer, following that deposit.

Under the settlement agreement, Directory Billing has agreed to stop using checks as the means of obligating businesses to purchase its products and services. The company also has agreed to pay \$400,000.00, collectively, to the states to be used for restitution for former Directory Billing customers and to reimburse the states for investigation costs. Directory Billing also agreed to write its current customers and inform them of their right to cancel their agreements with the company and of their eligibility for a partial refund.

For more information or to file a complaint, please contact the Attorney General's Consumer Protection Division by calling 1-800-368-8808 or visiting his website at <http://www.wvag.gov>.

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